

**The Ellis Shopping Report Performance Comparison  
A Multifamily Industry Benchmark  
Executive Summary  
Fourth Quarter, 2011**

Happy New Year! Welcome to the Fourth Quarter, 2011 Ellis Quarterly Shopping Report Performance Comparison under our new company name, [Ellis, Partners in Management Solutions](#). This new name supports our vision and the commitment to the growing needs of our customers. Many of you have shared the importance of quantifying and understanding the perception of the customer's experience. Understanding the mindset of today's customer, many of which are more sophisticated, informed and demanding, has become more difficult. In recognizing this challenge, Ellis created an integrated program for 2012 – a program that captures data from shopping reports, resident surveys and social media onto one platform, all in an effort to understand the "Voice of the Customer". If you think about it, shopping reports "talk about the process", resident surveys "talk to you" and social media "talks about you". Using state of the art technology, we extract data from social media sites, resident surveys and the shopping reports to understand the common sentiments and themes expressed by the public. Along with defining your customer's experience, our program helps you to understand the generational differences as well as the common values, beliefs and behaviors that each generation exhibits. Customer-centric organizations focused on understanding and redefining the customer's experience provide a tremendous advantage. Our business strategy for 2012 is to bring awareness of customer experience best practices.

In this letter, we summarize the four generations: Traditionalists, Baby Boomers, Generation X, and Generation Y and how we can be successful in working with each group, how we market to each, as well as providing our traditional market update and the results of our quarterly performance comparison.

**☑ MARKET CLIMATE UPDATE**

The multi-family industry had an exceptional year in 2011. Strong rental demand allowed owners to increase rents and decrease concessions, closing the year with the tightest vacancy rates in any commercial sector. Some believe that if new apartment construction does not ramp up, rent growth could potentially approach 7% over the next two years due to a lack of supply. While 2011 was an *exceptional* year, 2012 will prove to be an *important* year for the multi-family industry and the overall U.S. economy.

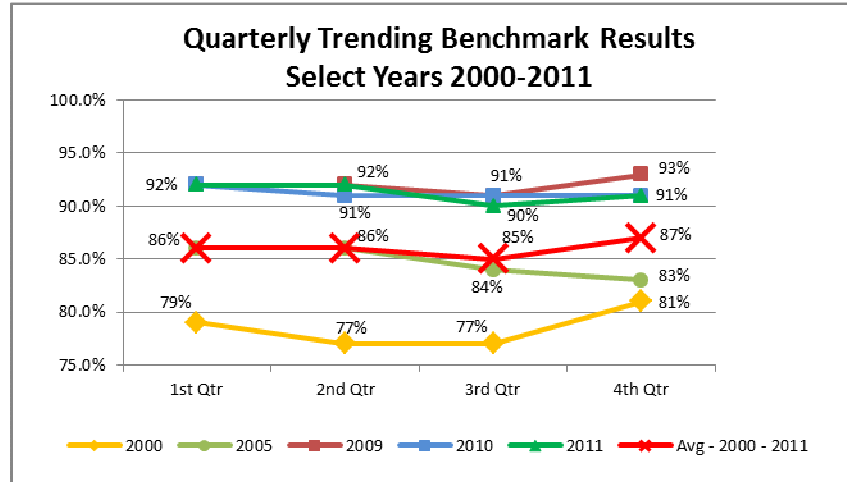
- The U.S. apartment vacancy rate fell to 5.2% in the fourth quarter, the lowest since the end of 2001, Reis Inc. (REIS) said. The average monthly effective rent climbed 2.3% from a year earlier to \$1,009
- The U.S. apartment market posted impressive revenue growth of 5.8% in calendar 2011 and the National occupancy climbed 1.1% during the year, according to MPF Research
- Existing U.S. home sales rose in November, according to the National Association of Realtors, as buyers and investors continue to snap up bargains. Total existing home sales increased by 4.0% to a seasonally adjusted annual rate of 4.42 million units from a downwardly revised 4.25 million in October
- The U.S. jobless rate edged down to 8.5% from a revised 8.7% in November, continuing a steady decline from 9.1% in August, the government said. With manufacturers growing and small businesses seeing signs of life, employers added 200,000 new jobs in December — double the number in November
- Underemployment, a measure that combines the percentage of workers who are unemployed with the percentage working part time but wanting full-time work, was 18.4% in mid-December, as measured by Gallup without seasonal adjustment. This is up slightly from 18.1% at the end of November and similar to the 18.5% of a year ago

**☑ ELLIS QUARTERLY SHOPPING REPORT PERFORMANCE COMPARISON: A MULTIFAMILY INDUSTRY "BENCHMARK"**

For many years, our shopping customers asked, "How do my on-site leasing professionals compare to those in similar companies?" In the First Quarter 2000, we created the *Ellis Shopping Report Performance Comparison* to answer that question. Known as the "Benchmark", our quarterly report allows you to compare your company's leasing performance to other national and regional operators. By measuring the affirmative answers to ten leading and universal performance questions common to all telephone/on-site mystery shopping reports, we rank participating companies on a weighted and equal basis. These 10 questions are included in the comparison chart attached to this letter. In 2011, we welcomed Apartment Trust of America, Cottonwood Capital, LLC, Guardian Management, LLC, Palms Associates, Timberland Partners, Windsor Property Management Company/GID, and Wood Partners to the comparison.

## ☑ ELLIS BENCHMARK QUARTERLY PERFORMANCE TRENDING

The overall average in the Fourth Quarter 2011 reached 91% based on 3,890 shops. This average is slightly lower than the same time period one year ago when the overall average reached 91.4%. The high company average remained strong but the low took a 2.6% dip. While the companies at the top continue to perform at a top level, the companies at the bottom will need to address specific leasing performance weaknesses through training and communicating their increased expectations. Customer service will become a strong focus as vacancy tightens and the “customer experience” becomes critical to reduce future turnover.



## ☑ TOP-RANKED PARTICIPATING COMPANIES

**1<sup>st</sup> Place – Western National Property Management. 98% (4.30% standard deviation)**

“Excellence in customer service, care and compassion is what makes Western National the best place to work. Our Leasing Associates are achievement-oriented and their commitment to their craft never ceases to amaze me. My sincerest and heartfelt congratulations to The Team Who Cares!”

-**Laura Khouri**, President

**2<sup>nd</sup> Place – Gables Residential. 98% (6.13% standard deviation)**

“Gables is proud to have placed in the top five for the 42nd time! The commitment across the entire company to have the best sales team in the industry is definitely reflected in these results. Congratulations to our fantastic team of associates!”

-**Jennifer B. Antos**, Vice President of Learning and Development

**3<sup>rd</sup> Place – SARES-REGIS Group. 98% (6.31 standard deviation)**

We are proud to finish again in the Ellis top 5 benchmark rankings. It is an exciting recognition of our teams hard work. These positive results are a reflection of the enthusiasm that they bring to their jobs each day and their full commitment to continuously enhancing their skills.

-**Michelle Adrian**, Director of Training

**4<sup>th</sup> Place – Legacy Partners Residential, Inc. 97% (5.80% standard deviation)**

“Legacy is thrilled to place in the top five once again in the Ellis Benchmark report. I am so proud of our outstanding Team Members for their continued excellence and dedication to our current and prospective residents. Their ongoing efforts are what make Legacy communities successful. We appreciate their hard work and ongoing daily focus. Congratulations, Team Legacy!”

-**Lynn Klug**, Vice President Marketing and Training

**5<sup>th</sup> Place** – Post Properties. **97%** (9.03% standard deviation)

“What an amazing team we have at Post Properties!!! I am thrilled that we once again ranked in the top 5 of the Ellis Shopping Benchmark program. Our associates do a wonderful job of treating our customers consistently. I am very proud of their willingness to continually improve their sales skills, their desire to provide exceptional service, and their ongoing commitment to being leaders in the industry. Congratulations to our associates for an outstanding performance again this quarter!!!”

- **Jamie Teabo**, Executive Vice President

**☑ PERFORMANCE IMPROVEMENT TOPIC: A GENERATIONAL SNAPSHOT**

For the first time in U.S. history, there are four different generations laboring side-by-side in the workplace. During 2011, we expounded on how to overcome the challenges of maintaining harmony among four generations in the workplace and how to effectively market to each generation. The secret to overcoming these challenges is to understand the mindset of each generation, so let us quickly review their hallmark characteristics.

**Traditionalists: Born before 1946**

*Who they are:* Generally recognized as the children of the Great Depression, Traditionalists were profoundly impacted by the experiences they encountered during their formative years. Having great respect for authority, they strictly abide by the rules. They want to be respected for their historical knowledge of their chosen industry.

*How to appeal to them:* Traditionalists have seen a lot in their life-time so when you reach out to them, appeal to their sense of value. For instance, family is important to them, so providing solutions for helping them and their families would be well received.

*Advertising strategy:* Only a small fraction of Traditionalists will be accessed by social media marketing. To truly be effective in marketing, a combination of traditional marketing along with social media is necessary.

**Baby Boomers: Born 1946-1964**

*Who they are:* This generation was born during the demographic Post-World War II Baby Boom. While their parents unwaveringly adhere to rules, Baby Boomers are not afraid to challenge rules when necessary. Work is their life, and they are willing to keep the same job for many years.

*How to appeal to them:* Baby Boomers fought for civil rights, overachieved, and whenever necessary, questioned authority. When marketing to them, provide a cause for them to embrace. They were the first generation to become workaholics. Offer solutions for finding a work/life balance. Baby Boomers view work as a place one goes. When you describe your solution to their work problems, addressing the location/convenience issue is vital.

*Advertising strategy:* Baby Boomers have high expectations concerning the marketing and sales pitches that companies use to gain their attention and their business. With this group, your post-purchase customer service levels had better live up to the promises made during the sales process, or they will take their business elsewhere. Do not use vague, mass-marketing advertising with generic messages. Communicate the clear-cut benefits of the product and/or service you are selling.

**Generation X: Born 1965-1978**

*Who they are:* Sometimes referred to as the MTV Generation, Generation X was born after the Post-World War II Baby Boom ended. Often the children of two working parents, they spent much time home alone and were forced to grow up quickly. Rather than follow or challenge the rules, they like to change the rules entirely. They enjoy a life outside of work, and do not intend to be “lifers” on the job.

*How to appeal to them:* Generation X is known for being self-reliant and skeptical. Members of this generation feel a sense of entitlement since oftentimes both parents were absent working. A strategy that focuses on their wants and desires will appeal to them. After all, they deserve it.

*Advertising strategy:* Xers are very sensitive when they suspect that they are being exploited. Use a straightforward approach. Fake personalization can hurt rather than help. Their loyalty to a company or a brand needs to be continually earned.

**Generation Y: Born 1979-2000**

*Who they are:* Generation Y is an increasingly significant factor – not only in the real estate industry but in the entire world’s workforce. According to research, by the year 2020, Gen Y is predicted to occupy almost half of the working population. Members of this generation are often more loyal to their peers than their employer. Teamwork is important to them. When it comes to rules, they create their own. If you thought Generation X pushed the envelope of tradition, you have not seen anything yet!

*How to appeal to them:* A Yer's idea of "home" is different than their parents. More than a spacious apartment or large lawn, Generation Y desires places to congregate, such as community rooms, fitness areas, jogging trails, movie screening theaters – anything that creates a community atmosphere. Finding the perfect location is also extremely important to Gen Y. According to researchers, the highest-ranked decision factor that will keep Gen Y in their current location is the ability to meet people and make friends.

*Advertising strategy:* Generation Y has grown up in a world of momentous technological advancements. Marketers are discovering that because of the intense media saturation this generation has experienced, it is increasingly difficult to catch a Gen Yer's eye. Do not make the mistake of trying to be cool with your marketing. Use simple, honest messages with no hype. Direct marketing (rather than mass marketing) is essential. However, because Gen Y is equally wise about email and targeted technologies, this does not mean that Yers will be impressed by a text message that mentions their name. Creativity is crucial.

Good business is based on understanding others. There are more pronounced differences between the generations today than ever before. To work effectively and efficiently, to increase productivity and quality, one needs to understand generational characteristics and learn how to use them effectively in dealing with each individual. With this understanding, we can be successful in working with and marketing to *every* generation.




We thank you for your participation and feedback, which help make this report informative and a reliable resource. We hope you will find Ellis, Partners in Management Solutions to be not only the finest source for mystery shopping but a true partner in management solutions for your organization. Visit our blog, [All Things Considered...An Ellis Perspective](#), for more insight on Generation Y and other current topics.

Sincerely,

*Joanna Ellis*

Joanna Ellis, CAPS  
Chief Executive Officer

Enclosure

Connect with us:   

**ellis** | PARTNERS IN  
MANAGEMENT SOLUTIONS  
SHOPPING REPORT PERFORMANCE COMPARISON®  
MULTIFAMILY INDUSTRY BENCHMARK  
FOURTH QUARTER, 2011

	TELEPHONE PRESENTATION		ON-SITE PRESENTATION										CLIENT AVERAGE	STD DEV
	Q1 Set Appt	Q2 Telephone Number	Q3 First Impression	Q4 Identify Specific Needs	Q5 Discuss/ Show Property	Q6 Apt. Condition	Q7 Feature/ Benefit Sell	Q8 Overcome Objection	Q9 Ask for Deposit	Q10 Lease from Agent				
<b>QUESTION OVERALL AVERAGE</b>	<b>93.37%</b>	<b>87.07%</b>	<b>94.70%</b>	<b>91.47%</b>	<b>93.88%</b>	<b>95.09%</b>	<b>93.26%</b>	<b>95.73%</b>	<b>71.80%</b>	<b>90.13%</b>	<b>91%</b>	<b>14.88</b>		
<b>Western National Property Management</b>	99.17%	96.67%	100.00%	98.33%	100.00%	95.00%	99.17%	99.17%	98.33%	98.33%	<b>98%</b>	<b>4.30</b>		
<b>Gables Residential Services</b>	98.69%	95.75%	99.02%	98.69%	99.35%	97.39%	99.35%	98.69%	91.83%	96.73%	<b>98%</b>	<b>6.13</b>		
<b>SARES-REGIS Group</b>	100.00%	95.16%	98.39%	98.39%	98.39%	96.77%	98.39%	100.00%	96.77%	96.77%	<b>98%</b>	<b>6.31</b>		
<b>Legacy Partners Residential, Inc.</b>	98.00%	94.00%	100.00%	98.00%	100.00%	98.00%	98.00%	100.00%	86.00%	98.00%	<b>97%</b>	<b>5.80</b>		
<b>Post Properties</b>	99.31%	97.93%	97.24%	96.55%	99.31%	99.31%	95.17%	98.62%	91.72%	96.55%	<b>97%</b>	<b>9.03</b>		
<b>CLIENT 6</b>	100.00%	88.37%	100.00%	95.35%	97.67%	97.67%	100.00%	97.67%	90.70%	95.35%	<b>96%</b>	<b>6.55</b>		
<b>CLIENT 7</b>	96.55%	92.41%	99.31%	97.93%	96.55%	98.62%	95.86%	99.31%	85.52%	95.17%	<b>96%</b>	<b>8.23</b>		
<b>CLIENT 8</b>	98.57%	92.86%	98.57%	97.14%	95.71%	100.00%	98.57%	94.29%	90.00%	92.86%	<b>96%</b>	<b>9.25</b>		
<b>CLIENT 9</b>	93.55%	98.39%	96.77%	100.00%	100.00%	100.00%	96.77%	98.39%	79.03%	91.94%	<b>95%</b>	<b>7.83</b>		
<b>CLIENT 10</b>	94.68%	95.74%	96.81%	91.49%	96.81%	97.87%	95.74%	98.94%	81.91%	95.74%	<b>95%</b>	<b>9.12</b>		
<b>CLIENT 11</b>	96.67%	98.33%	98.33%	96.67%	95.00%	98.33%	96.67%	93.33%	76.67%	95.00%	<b>95%</b>	<b>13.46</b>		
<b>CLIENT 12</b>	97.92%	91.67%	95.83%	87.50%	97.92%	100.00%	91.67%	97.92%	87.50%	91.67%	<b>94%</b>	<b>12.50</b>		
<b>CLIENT 13</b>	96.08%	98.04%	98.04%	100.00%	100.00%	94.12%	94.12%	92.16%	56.86%	98.04%	<b>93%</b>	<b>8.50</b>		
<b>CLIENT 14</b>	100.00%	90.00%	97.50%	97.50%	95.00%	97.50%	95.00%	97.50%	68.75%	90.00%	<b>93%</b>	<b>9.96</b>		
<b>CLIENT 15</b>	98.88%	97.75%	94.38%	92.13%	94.38%	97.75%	92.13%	94.38%	84.27%	88.76%	<b>93%</b>	<b>13.06</b>		
<b>CLIENT 16</b>	96.43%	80.36%	97.32%	95.54%	95.54%	93.75%	98.21%	97.32%	70.54%	93.75%	<b>92%</b>	<b>9.82</b>		
<b>CLIENT 17</b>	95.15%	88.43%	95.52%	91.04%	97.01%	95.52%	91.04%	95.52%	77.24%	89.93%	<b>92%</b>	<b>14.31</b>		
<b>CLIENT 18</b>	93.52%	93.52%	91.67%	95.37%	93.52%	96.30%	89.81%	95.37%	69.44%	87.04%	<b>91%</b>	<b>14.06</b>		
<b>CLIENT 19</b>	88.89%	86.11%	95.83%	93.06%	97.22%	90.28%	98.61%	97.22%	69.44%	95.83%	<b>91%</b>	<b>14.53</b>		
<b>CLIENT 20</b>	91.00%	75.00%	98.00%	89.00%	95.00%	98.00%	96.00%	95.00%	69.00%	98.00%	<b>90%</b>	<b>11.18</b>		

**Participating Companies**

AmlI Residential	Legacy Partners Residential, Inc.
Apartment Trust of America	Madison Apartment Group, LP
BH Management Services, Inc.	Palms Associates
Bozzuto & Associates	Pinnacle (PRMC)
BRE Properties	Post Properties
Capreit	RAM Partners, LLC
Capstone Real Estate	SARES-REGIS Group
Carmel Partners	Sequoia Equities, Inc.
Colonial Properties Trust	Simpson Property Group
Cottonwood Capital Property Management, LLC	Sunrise Management
CWS Apartment Homes	The Bainbridge Companies
E & S Ring Corporation	Timberland Partners
Fairfield Residential	TriBridge Residential
Gables Residential	UDR
Greystar Management Services	Venterra Realty
Guardian Management, LLC	Waterton Residential
IMT Residential	Weidner Apartment Homes
JMG Realty, Inc.	Western National Property Management
Kettler Management	Windsor Property Management Co / GID
Laramar Group	Wood Partners

\* Representing 3,890 shopping reports

**Benchmark 1st Place Company**  
**Western National Property Management**  
**Laura Khouri**  
**President**

*"Excellence in customer service, care and compassion is what makes Western National the best place to work. Our Leasing Associates are achievement-oriented and their commitment to their craft never ceases to amaze me. My sincerest and heartfelt congratulations to The Team Who Cares!"*

**ellis** | PARTNERS IN  
MANAGEMENT SOLUTIONS  
**SHOPPING REPORT PERFORMANCE COMPARISON®**  
**MULTIFAMILY INDUSTRY BENCHMARK**  
**FOURTH QUARTER, 2011**

	TELEPHONE PRESENTATION		ON-SITE PRESENTATION										STD DEV
	Q1 Set Appt	Q2 Telephone Number	Q3 First Impression	Q4 Identify Specific Needs	Q5 Discuss/ Show Property	Q6 Apt. Condition	Q7 Feature/ Benefit Sell	Q8 Overcome Objection	Q9 Ask for Deposit	Q10 Lease from Agent	CLIENT AVERAGE		
<b>QUESTION OVERALL AVERAGE</b>	<b>93.37%</b>	<b>87.07%</b>	<b>94.70%</b>	<b>91.47%</b>	<b>93.88%</b>	<b>95.09%</b>	<b>93.26%</b>	<b>95.73%</b>	<b>71.80%</b>	<b>90.13%</b>	<b>91%</b>	<b>14.88</b>	
<b>CLIENT 21</b>	93.80%	78.47%	95.26%	94.53%	93.80%	95.99%	93.07%	95.62%	68.98%	90.51%	<b>90%</b>	<b>14.19</b>	
<b>CLIENT 22</b>	90.00%	90.00%	95.00%	95.00%	100.00%	97.50%	90.00%	92.50%	60.00%	87.50%	<b>90%</b>	<b>14.41</b>	
<b>CLIENT 23</b>	92.75%	85.51%	94.20%	92.75%	92.75%	95.65%	85.51%	94.20%	76.81%	86.96%	<b>90%</b>	<b>15.14</b>	
<b>CLIENT 24</b>	94.34%	90.57%	96.23%	94.34%	92.45%	90.57%	92.45%	90.57%	60.38%	84.91%	<b>89%</b>	<b>13.73</b>	
<b>CLIENT 25</b>	94.12%	77.65%	94.12%	96.47%	90.59%	94.12%	89.41%	92.94%	68.24%	89.41%	<b>89%</b>	<b>15.10</b>	
<b>CLIENT 26</b>	91.67%	94.44%	94.44%	88.89%	94.44%	91.67%	97.22%	94.44%	50.00%	94.44%	<b>89%</b>	<b>17.46</b>	
<b>CLIENT 27</b>	94.83%	81.03%	93.10%	93.10%	94.83%	89.66%	98.28%	87.93%	63.79%	87.93%	<b>88%</b>	<b>14.73</b>	
<b>CLIENT 28</b>	90.00%	80.00%	96.67%	86.67%	91.67%	91.67%	93.33%	95.00%	66.67%	90.00%	<b>88%</b>	<b>17.61</b>	
<b>CLIENT 29</b>	96.08%	76.47%	90.20%	92.16%	88.24%	94.12%	92.16%	96.08%	60.78%	88.24%	<b>87%</b>	<b>13.83</b>	
<b>CLIENT 30</b>	97.37%	90.79%	92.11%	86.84%	89.47%	92.11%	88.16%	97.37%	56.58%	82.89%	<b>87%</b>	<b>15.78</b>	
<b>CLIENT 31</b>	96.34%	84.15%	89.02%	89.02%	92.68%	95.12%	89.02%	89.02%	63.41%	86.59%	<b>87%</b>	<b>16.24</b>	
<b>CLIENT 32</b>	86.41%	86.41%	91.26%	85.44%	93.20%	96.12%	85.44%	96.12%	63.11%	84.47%	<b>87%</b>	<b>18.64</b>	
<b>CLIENT 33</b>	89.14%	87.83%	90.13%	82.57%	86.51%	92.76%	91.12%	94.74%	63.82%	85.20%	<b>86%</b>	<b>17.62</b>	
<b>CLIENT 34</b>	77.78%	68.89%	95.56%	93.33%	95.56%	95.56%	91.11%	97.78%	53.33%	82.22%	<b>85%</b>	<b>15.61</b>	
<b>CLIENT 35</b>	80.33%	73.77%	90.16%	85.25%	93.44%	93.44%	91.80%	100.00%	44.26%	88.52%	<b>84%</b>	<b>15.75</b>	
<b>CLIENT 36</b>	85.21%	75.15%	90.53%	85.21%	89.94%	92.31%	91.72%	92.31%	54.44%	78.11%	<b>83%</b>	<b>18.46</b>	
<b>CLIENT 37</b>	97.78%	77.78%	91.11%	66.67%	88.89%	86.67%	84.44%	93.33%	48.89%	82.22%	<b>82%</b>	<b>21.56</b>	
<b>CLIENT 38</b>	87.13%	71.29%	87.13%	74.26%	78.22%	89.11%	86.14%	94.06%	31.68%	83.17%	<b>78%</b>	<b>21.88</b>	
<b>CLIENT 39</b>	64.58%	72.92%	85.42%	70.83%	81.25%	79.17%	83.33%	91.67%	58.33%	79.17%	<b>77%</b>	<b>25.04</b>	
<b>CLIENT 40</b>	75.56%	75.56%	77.78%	77.78%	75.56%	91.11%	84.44%	86.67%	40.00%	73.33%	<b>76%</b>	<b>24.82</b>	

**Participating Companies**

AmlI Residential	Legacy Partners Residential, Inc.
Apartment Trust of America	Madison Apartment Group, LP
BH Management Services, Inc.	Palms Associates
Bozzuto & Associates	Pinnacle (PRMC)
BRE Properties	Post Properties
Capreit	RAM Partners, LLC
Capstone Real Estate	SARES-REGIS Group
Carmel Partners	Sequoia Equities, Inc.
Colonial Properties Trust	Simpson Property Group
Cottonwood Capital Property Management, LLC	Sunrise Management
CWS Apartment Homes	The Bainbridge Companies
E & S Ring Corporation	Timberland Partners
Fairfield Residential	TriBridge Residential
Gables Residential	UDR
Greystar Management Services	Venterra Realty
Guardian Management, LLC	Waterton Residential
IMT Residential	Weidner Apartment Homes
JMG Realty, Inc.	Western National Property Management
Kettler Management	Windsor Property Management Co / GID
Laramar Group	Wood Partners

\* Representing 3,890 shopping reports

**Benchmark 1st Place Company**  
**Western National Property Management**  
**Laura Khouri**  
**President**

*"Excellence in customer service, care and compassion is what makes Western National the best place to work. Our Leasing Associates are achievement-oriented and their commitment to their craft never ceases to amaze me. My sincerest and heartfelt congratulations to The Team Who Cares!"*